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February 28, 2018

**VIA ECF**

The Honorable Loretta A. Preska  
United States Courthouse  
Southern District of New York  
500 Pearl Street  
New York, NY 10007-1312

Re: *SEC v. Frank A. Dunn, et al.*, 07-cv-2058 (S.D.N.Y.)

Dear Judge Preska,

I represent the Securities and Exchange Commission ("SEC") in the above-referenced matter and in the related case, *SEC v. Nortel Networks Corporation and Nortel Networks Limited*, 07-cv-8851 (S.D.N.Y.)(LAP) with respect to the distribution funds from the two cases in a combined Fair Fund. I am writing in response to Your Honor's request of August 29, 2017, for a status up date.

Preparation of the second distribution of the Fair Fund of approximately \$4.2 million is well underway, but it is delayed from the December/January timeframe estimated previously. This resulted from the Tax Administrator advising the Distribution Agent that implementation provisions of the Foreign Account Tax Compliance Act ("FACTA") enacted in July 2014 require the Distribution Agent to solicit updated W-8s/W-9s to be in compliance with the reporting and withholding provision of FACTA. This took several months to complete. At the same time, the Distribution Agent processed 127 late-filed claims that resulted in the acceptance of 36 late, but otherwise eligible, claims that will be recommended as additions to the payment list. It is now anticipated that the second distribution will occur in the March/April 2018 timeframe.

The Distribution Agent regularly has been filing quarterly progress reports in the related case, with the most current report filed January 19, 2018. Going forward, the Distribution Agent will file these quarterly reports in *SEC v. Dunn* also.

Respectfully submitted,

A handwritten signature in cursive script that reads "Nichola L. Timmons".

Nichola Timmons  
Assistant Director, SEC Office of Distributions

cc: All parties of record via ECF